

Y-NSS
1984

R. Peterson

YNSS

1984

AUTHOR

Assessment of Opportunities as
a "Replacement" Systems Vendor in
the marketplace of System 34 user

DATE

YNSS

1984

Y1055
R.P.H.

X

ASSESSMENT OF OPPORTUNITIES
AS A "REPLACEMENT" SYSTEMS VENDOR
IN THE MARKETPLACE OF SYSTEM 34 USERS

A CUSTOM STUDY

FOR

NCR
SAN DIEGO, CA

BY

INPUT, INC.

JANUARY 27, 1984

INPUT



Digitized by the Internet Archive
in 2015

<https://archive.org/details/assessmentofoppounse>

PURPOSES

- PRELIMINARY MARKET ASSESSMENT OF
 - USER SYSTEMS
 - APPLICATIONS
 - "REPLACEMENT VENDORS" STRATEGY
- IDENTIFICATION OF MARKET CHARACTERISTICS OF BEST POTENTIAL CUSTOMERS.

INPUT

METHODOLOGY

- INTERVIEWS
 - ON-SITE
 - TELEPHONE
- SECONDARY RESEARCH
- ANALYSIS
- PRESENTATION

INPUT

INTERVIEWS

<u>TYPE</u>	<u>NUMBER</u>	<u>TOTAL</u>
CURRENT		
ON-SITE	3	
TELEPHONE	21	24
FORMER		
ON-SITE	3	
TELEPHONE	11	14
TOTAL		38

INPUT

INDUSTRY OF RESPONDENT

<u>INDUSTRY</u>	<u>% OF RESPONDENTS</u>
MANUFACTURING	13
MEDICAL	3
RETAIL	26
BANKING	3
WHOLESALE	50
INSURANCE	5
	<hr/> 100

INPUT

REVENUE OF RESPONDENT COMPANY (FY 1983)

<u>RANGE (\$000)</u>	<u>% OF RESPONDENTS*</u>
\$ 2-10	20
11-20	20
21-30	28
31-50	12
51-70	12
71-UP	8
TOTAL	100%

* 13 (34%) OF RESPONDENTS DID NOT PROVIDE INFORMATION.

INPUT

REVENUE GROWTH OF RESPONDENT COMPANIES
(1980 - 1983)

<u>GROWTH (%)</u>	<u>% OF RESPONDENTS*</u>
0-10	27
11-20	18
21-40	14
41-60	9
61-80	14
81-UP	18
TOTAL	100%

* 16 RESPONDENTS (42%) DID NOT PROVIDE INFORMATION.

INPUT

LEVEL OF OVERALL SATISFACTION
WITH S/34

<u>RATING</u>	<u>% OF RESPONDENTS</u>		<u>TOTAL</u>
	<u>CURRENT USERS</u>	<u>FORMER USERS</u>	
VERY SATISFIED	92	64	82
SATISFIED	8	36	18
NOT SATISFIED	0	0	0
TOTAL	<u>100</u>	<u>100</u>	<u>100</u>

INPUT

CONCERNS OF S/34 USERS

	<u>% OF RESPONDENTS</u>		<u>TOTAL</u>
	<u>CURRENT USERS*</u>	<u>FORMER USERS</u>	
NO CONCERN (VERY SATISFIED)	52		31
CONCERNS	48	100	69
TOTAL	100	100	100

* 3 RESPONDENTS DID NOT PROVIDE INFORMATION.

INPUT

"BIGGEST" CONCERN OF S/34 USERS

<u>CONCERN</u>	<u>% OF RESPONDENTS</u>		<u>TOTAL</u>
	<u>CURRENT USERS</u>	<u>FORMER USERS</u>	
PERFORMANCE	10	14	13
THROUGHPUT		14	8
SIZE		7	4
CAPACITY	60	58	59
EXPANSION	20		8
VENDOR SUPPORT	10	7	8
TOTAL	<u>100</u>	<u>100</u>	<u>100</u>

INPUT

AREAS OF CONCERN FOR S/34 USERS

<u>CONCERN</u>	<u>% OF RESPONDENTS</u>		<u>TOTAL</u>
	<u>CURRENT USERS</u> (n = 24)	<u>FORMER USERS</u> (n = 14)	
PRICE	21	7	16
THROUGHPUT	58	29	47
VENDOR SUPPORT	25	-	16
EXPANSION	54	50	53
SOFTWARE AVAILABILITY	8	7	8
HARDWARE MAINTENANCE	33	29	32
SOFTWARE MAINTENANCE	8	-	5
COMPATIBILITY	17	7	13
TOTAL	<u>100</u>	<u>100</u>	<u>100</u>

INPUT

PROBABILITY OF REPLACING S/34

<u>PROBABILITY</u>	<u>% OF CURRENT USERS</u>
0	38
10-25%	12
26-50%	8
51-100%	42
TOTAL	<u>100</u>

INPUT

PROBABILITY OF REPLACING S/34
WITH SIMILAR IBM HARDWARE

<u>PROBABILITY</u>	<u>% OF CURRENT USERS</u> (n = 15)
1-75%	14
76-90%	33
100%	53
TOTAL	<u>100</u>

INPUT

BASIS OF COMPETITION IN
SELECTING A REPLACEMENT

FEATURES/OFFERS

CURRENT USERS WHO WOULD CONSIDER
REPLACING S/34 WITH ANOTHER VENDOR
(n = 13)

PERFORMANCE	15
SIZE/CAPACITY	
COMPATIBILITY	8
MAINTENANCE	23
VENDOR SUPPORT/REPUTATION	23
HARDWARE	8
COST	8
DON'T KNOW	<u>15</u>
TOTAL	100%

INPUT

GENERAL IMPRESSION OF
PROPOSED NCR OFFERING

<u>LEVEL OF INTEREST</u>	<u>% OF RESPONDENTS</u>	
	<u>CURRENT USERS</u> (n = 21)	<u>FORMER USERS</u> (n = 13)
INTERESTED	29	23
QUALIFIED INTEREST	42	69
NO INTEREST	<u>29</u>	<u>8</u>
TOTAL	100	100

INPUT

CONCERNS ABOUT PROPOSED NCR OFFERING

<u>TYPE OF CONCERN</u>	<u>% OF RESPONDENTS</u>	
	<u>CURRENT USERS</u> (n = 14)	<u>FORMER USERS</u> (n = 7)
PRODUCT	57	29
VENDOR	29	57
BOTH	<u>14</u>	<u>14</u>
TOTAL	100	100

INPUT

RANKING OF CONCERNS REGARDING
PROPOSED NCR OFFERING

<u>CONCERN</u>	<u>% OF RESPONDENTS</u>	
	<u>CURRENT USER</u> (n = 22)	<u>FORMER USER</u> (n = 12)
PERFORMANCE	4.7	4.8
VENDOR REPUTATION	4.5	4.7
HARDWARE RELIABILITY	4.4	4.6
QUALITY OF MAINTENANCE	4.3	4.4
AVAILABILITY OF VENDOR - SUPPLIED HARDWARE	4.1	3.8
EASE OF CONVERSION	4.0	4.5
VENDOR SUPPORT	4.0	4.3
TECHNICAL FEATURES	3.6	4.4
QUALITY OF SALES EFFORT	3.2	3.1
PRICE	3.1	3.5
AVAILABILITY OF SOFTWARE	2.6	3.3
AVAILABILITY OF VENDOR - SUPPLIED SOFTWARE	2.5	3.4

1 = NOT IMPORTANT, 5 = VERY IMPORTANT

INPUT

RANKING OF CONCERNS REGARDING
PROPOSED NCR OFFERING

<u>CONCERN</u>	<u>% OF RESPONDENTS</u>	
	<u>CURRENT USER</u> (n = 22)	<u>FORMER USER</u> (n = 12)
PERFORMANCE	1	1
VENDOR REPUTATION	2	2
HARDWARE RELIABILITY	3	3
QUALITY OF MAINTENANCE	4	5
AVAILABILITY OF VENDOR - SUPPLIED HARDWARE	5	7
EASE OF CONVERSION	6	4
VENDOR SUPPORT	7	6
TECHNICAL FEATURES	8	5
QUALITY OF SALES EFFORT	9	11
PRICE	10	8
AVAILABILITY OF SOFTWARE	10	10
AVAILABILITY OF VENDOR - SUPPLIED SOFTWARE	12	9

INPUT

IMPACT OF VENDOR REPUTATION ON
INTEREST IN PROPOSED OFFERING

VENDOR: DIGITAL EQUIPMENT

<u>IMPACT</u>	<u>% OF RESPONDENTS</u>	
	<u>CURRENT USERS</u> (n = 24)	<u>FORMER USERS</u> (n = 13)
POSITIVE	29	15
NOT SURE	0	23
DON'T KNOW VENDOR	54	39
NEGATIVE	17	23
TOTAL	100	100

INPUT

IMPACT OF VENDOR REPUTATION
ON INTEREST IN PROPOSED OFFERING

VENDOR: BURROUGHS

<u>IMPACT</u>	<u>% OF RESPONDENTS</u>	
	<u>CURRENT USERS</u> (n = 24)	<u>FORMER USERS</u> (n = 12)
POSITIVE	21	
NOT SURE	21	25
DON'T KNOW VENDOR	37	17
NEGATIVE	21	58
TOTAL	<u>100</u>	<u>100</u>

INPUT

IMPACT OF VENDOR REPUTATION
ON INTEREST IN PROPOSED OFFERING

VENDOR: HEWLETT-PACKARD

<u>IMPACT</u>	<u>% OF RESPONDENTS</u>	
	<u>CURRENT USERS</u> (n = 22)	<u>FORMER USERS</u> (n = 13)
POSITIVE	27	31
NOT SURE	9	15
DON'T KNOW VENDOR	55	39
NEGATIVE	9	15
TOTAL	<u>100</u>	<u>100</u>

INPUT

IMPACT OF VENDOR REPUTATION
ON INTEREST IN PROPOSED OFFERING

VENDOR: HONEYWELL

<u>IMPACT</u>	<u>% OF RESPONDENTS</u>	
	<u>CURRENT USERS</u> (n = 24)	<u>FORMER USERS</u> (n = 13)
POSITIVE	16	15
NOT SURE	13	15
DON'T KNOW VENDOR	58	46
NEGATIVE	13	24
TOTAL	<u>100</u>	<u>100</u>

INPUT

IMPACT OF VENDOR REPUTATION
ON INTEREST IN PROPOSED OFFERING

VENDOR: NCR

<u>IMPACT</u>	<u>% OF RESPONDENTS</u>	
	<u>CURRENT USERS</u> (n = 24)	<u>FORMER USERS</u> (n = 13)
POSITIVE	8	8
NOT SURE	13	31
DON'T KNOW VENDOR	58	46
NEGATIVE	21	15
TOTAL	<u>100</u>	<u>100</u>

INPUT

PERCEPTIONS OF NCR AND COMPETITORS
BY PROSPECTIVE CUSTOMERS

CATEGORY: NEGATIVE IMAGE

BURROUGHS

NCR

DIGITAL

HONEYWELL

HEWLETT-PACKARD

INPUT

PERCEPTIONS OF NCR AND COMPETITORS
BY PROSPECTIVE CUSTOMERS

CATEGORY: POSITIVE IMAGE

DIGITAL

HEWLETT-PACKARD

BURROUGHS

HONEYWELL

NCR

INPUT

PERCEPTIONS OF NCR AND COMPETITORS
BY PROSPECTIVE CUSTOMERS

CATEGORY: MOST UNKNOWN
HONEYWELL
NCR
HEWLETT-PACKARD
BURROUGHS
DIGITAL

— INPUT —

PROFILE OF CURRENT AND FORMER USERS

<u>CATEGORY</u>	<u>CHARACTERISTIC</u>	
	<u>CURRENT</u>	<u>FORMER</u>
AVERAGE 1983 REVENUE (\$000)	\$30.1	\$48.0
AVERAGE 1980-83 REVENUE GROWTH	44.8%	51.3%
AVERAGE NUMBER OF EMPLOYEES	207	263
YEAR S/34 INSTALLED	1980-1981	1980
AVERAGE MONTHS IN USE	54	46
APPLICATION	SALES	SALES
LANGUAGE	RPGII	RPGII

INPUT

CONCLUSIONS

- USERS ARE GENERALLY SATISFIED WITH THE SYSTEM 34,
- SOME USERS ARE CONCERNED THAT THE SYSTEM 34 WILL NOT MEET THEIR GROWING COMPUTER NEEDS.
 - RESPONSE TIME, ESPECIALLY AS TERMINALS ARE ADDED, IS A MAJOR CONCERN.
 - THE ABILITY TO EXPAND THE SYSTEM IS ALSO A CONCERN,
- SOME USERS BELIEVE THE SYSTEM 34 WILL NEED TO BE REPLACED,
- MANY USERS, HOWEVER, WILL PROBABLY REPLACE THE SYSTEM 34 WITH SIMILAR IBM EQUIPMENT.
- MANY USERS WILL LISTEN TO ALTERNATIVES.
- BUT - WILL WANT PROOF OF THE PRODUCT CLAIMS...
- AND WILL FIND IT DIFFICULT TO CONSIDER NON-IBM VENDORS.

INPUT

RECOMMENDATIONS

- IDENTIFY CHARACTERISTICS OF "GOOD" PROSPECTS.
- DEVELOP STRATEGIES TO ENHANCE NCR IMAGE IN THIS MARKETPLACE.
- SHARPEN FOCUS OF PRODUCT OFFERING TO MATCH IDENTIFIED NEEDS.

INPUT

NUMBER OF EMPLOYEES PER COMPANY

<u>RANGE (%)</u>	<u>% OF RESPONDENTS*</u>
1-50	20
51-100	23
101-250	26
251-500	20
501-UP	11
TOTAL	100%

* 3 RESPONDENTS (8%) DID NOT RESPOND.

INPUT

NUMBER OF OTHER COMPUTERS

<u>NUMBER</u>	<u>CURRENT USER %</u>	<u>FORMER USER %</u>
NONE	29	29
1	42	71
2	17	
3	8	
4	4	
	<u>100%</u>	<u>100%</u>

INPUT

TYPES OF OTHER COMPUTERS

<u>COMPUTER</u>	<u>CURRENT USER NUMBER</u>	<u>FORMER USER NUMBER</u>
IBM 32	5	1
IBM 34	1	2
IBM 36	1	1
IBM 38	0	1
OTHER LARGE	9	2
PC	3	0
SYSTEM 3	9	3
	<hr/> 28	<hr/> 10

INPUT

APPLICATIONS MADE OF COMPUTER

<u>TYPE OF APPLICATION</u>	<u>% OF RESPONDENTS</u> (n = 38)	<u>% OF RESPONDENTS</u> (n = 100)
FINANCIAL, ACCOUNTING, MANAGEMENT	84	32
MANUFACTURING	66	25
OFFICE	29	11
SALES/MARKETING	84	32
TOTAL	100	100

— INPUT —

MOST IMPORTANT APPLICATION

<u>APPLICATION</u>	<u>% OF CATEGORY</u>	<u>% OF RESPONDENTS*</u>
FINANCIAL	100	8
ACCOUNTING	100	25
ACCOUNTS PAYABLE	33	
ACCOUNTS RECEIVABLE	33	
UNSPECIFIED	34	
INVENTORY CONTROL (MFG.)	100	3
SALES/MARKETING	100	64
ORDER ENTRY	17	
BILLING	35	
INVENTORY CONTROL (DIST.)	22	
UNSPECIFIED	26	
TOTAL		100

* 2 RESPONDENTS DID NOT PROVIDE INFORMATION.

INPUT

SOURCE OF MOST IMPORTANT APPLICATION

<u>SOURCE</u>	<u>% OF CATEGORY</u>	<u>% OF RESPONDENTS</u>
PURCHASED		26
IBM	10	
OTHER	80	
UNKNOWN	<u>10</u> 100	
DEVELOPED		74
IN-HOUSE	71	
UNKNOWN	<u>29</u> 100	
TOTAL		100

INPUT

COMPUTER LANGUAGES

<u>LANGUAGES</u>	<u>LANGUAGE OF MOST IMPORTANT APP. %</u>	<u>"OTHER" LANG. USED</u>	<u>TOTAL % OF RESPONDENTS</u>
RPG II	89	5	95
BASIC		10	11
COBOL	3	8	11
FORTTRAN	3	2	5
OTHER	5	2	8
NONE	<u> </u>	<u>73</u>	<u> </u>
TOTAL	100	100	100

INPUT

MONTHS SYSTEM 34 IN USE

<u>MONTHS</u>	<u>% OF RESPONDENTS*</u>
1-36	33
37-48	35
49-60	8
61-72	16
73-84	5
> 84	3
	<hr/>
TOTAL	100

* 1 RESPONDENT DID NOT PROVIDE INFORMATION.

AVE = 51 MONTHS

INPUT

FORMER SYSTEM 34 USER PROFILE
YEAR SYSTEM 34 INSTALLED

<u>YEAR</u>	<u>% OF USERS*</u>
1978	15
1979	23
1980	54
1981	8
TOTAL	<u>100</u>

* 1 RESPONDENT DID NOT PROVIDE INFORMATION.

INPUT

FORMER SYSTEM 34 USER PROFILE
MONTHS S /34 IN USE

<u>MONTHS</u>	<u>% OF USERS*</u>
1-36	39
37-48	46
49-60	-
61-UP	15
	<hr/>
TOTAL	100

*1 RESPONDENT DID NOT PROVIDE INFORMATION.

INPUT

FORMER SYSTEM 34 USER PROFILE
REPLACEMENT COMPUTER

<u>COMPUTER</u>	<u>% OF RESPONDENTS*</u>
IBM 36	54
IBM 38	46
	<hr/>
TOTAL	100

* 1 RESPONDENT DID NOT PROVIDE INFORMATION.

INPUT

